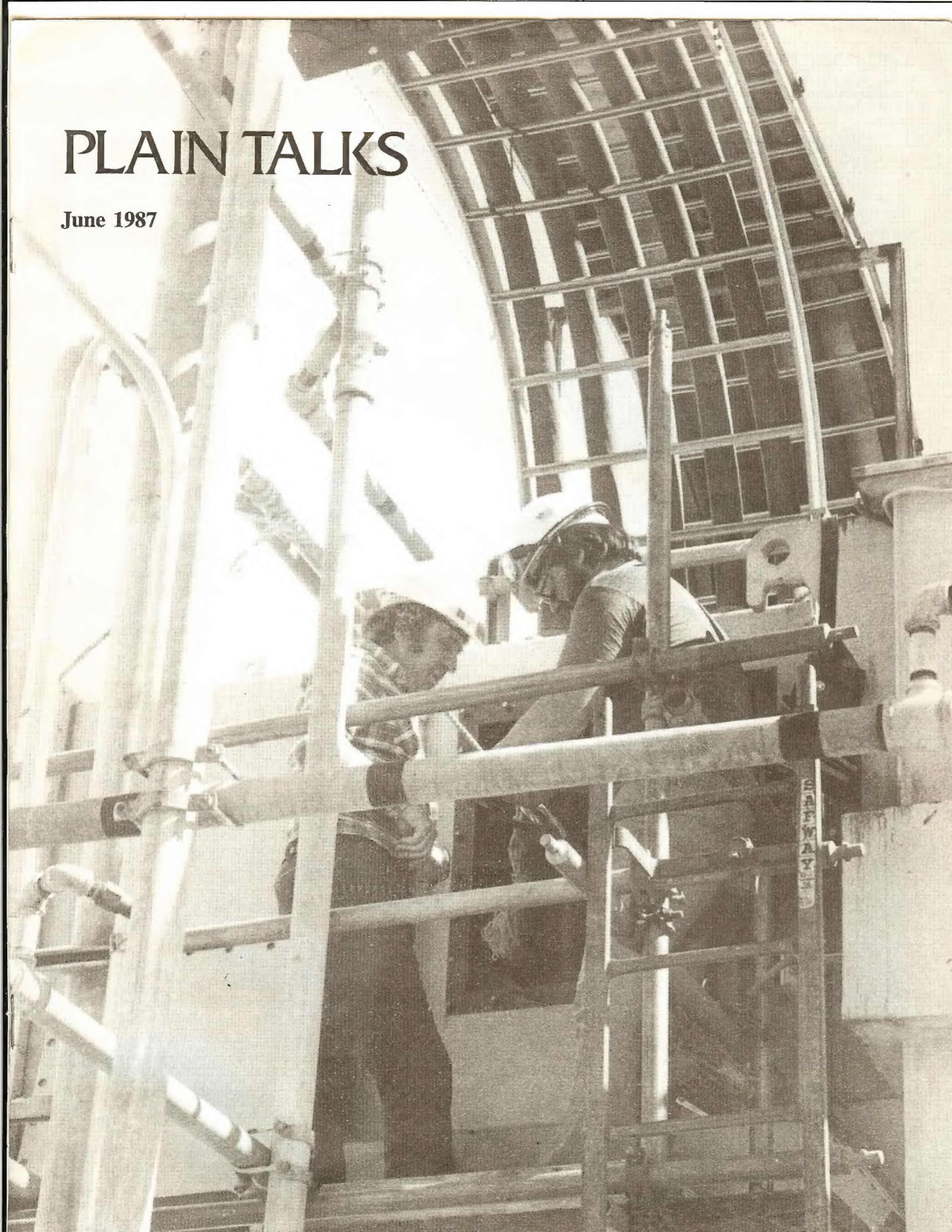


PLAIN TALKS

June 1987



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THE COVER

The cover photograph may look like an artistic arrangement of steel, but the Willow Glen Station scene isn't just for looks.

Bill Melton (left) and Perry Sullivan, both of whom are electricians - 1st class, are splicing wire on the No. 5 Unit reserve station service transformer.

Other power plant activities are captured in the photo feature on pages 6 and 7. Photos are by Susan Gilley of Employee Communications.

PLAIN TALKS

June 1987

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Employees who change residences or offices should fill out company mailing-address-forms (GSU0012-00-81) and return them to the mailroom in the Edison Plaza. GSU publications, departmental mailings and other company information are not automatically forwarded; addresses must be corrected when employees move.

Sabine employees design computerized system

by Robert Adams

The control room of Sabine Unit 3 bustles with activity as the unit comes back on line after a four-week outage in April. Alarms sound, telephones ring and two-way radios crackle as several people watch meters and discuss their readings. These sights and sounds are probably old hat to most of these employees. But something entirely new sits in their midst. It is the colorful display of the new central information system (CIS) computer which they installed during the outage.

The Sabine employees designed and installed the system for a fraction of the cost of one which might be bought through a vendor. Mike King, production engineer, says that the system cost about one-fifth of a comparable system because of the ingenuity of GSU employees.

"We did all of the work ourselves," says King, who was responsible for the project, "along with help from some other departments." The work included designing the system, altering computer software and wiring the components.

The CIS gathers data, such as temperatures and pressures, from about 270 points in the unit, for use by the operators. The old system could monitor only one point at a time. The new system displays 24 at once in color on a television screen.

O. V. McNeil, unit supervisor, says that in addition to the initial savings during installation, the new system should save even more in the future. "Better monitoring will help save equipment," he says. "If we can prevent losing a piece of equipment such as a boiler feed pump, the CIS system will have paid for itself."

A personal computer runs the system. GSU bought a software

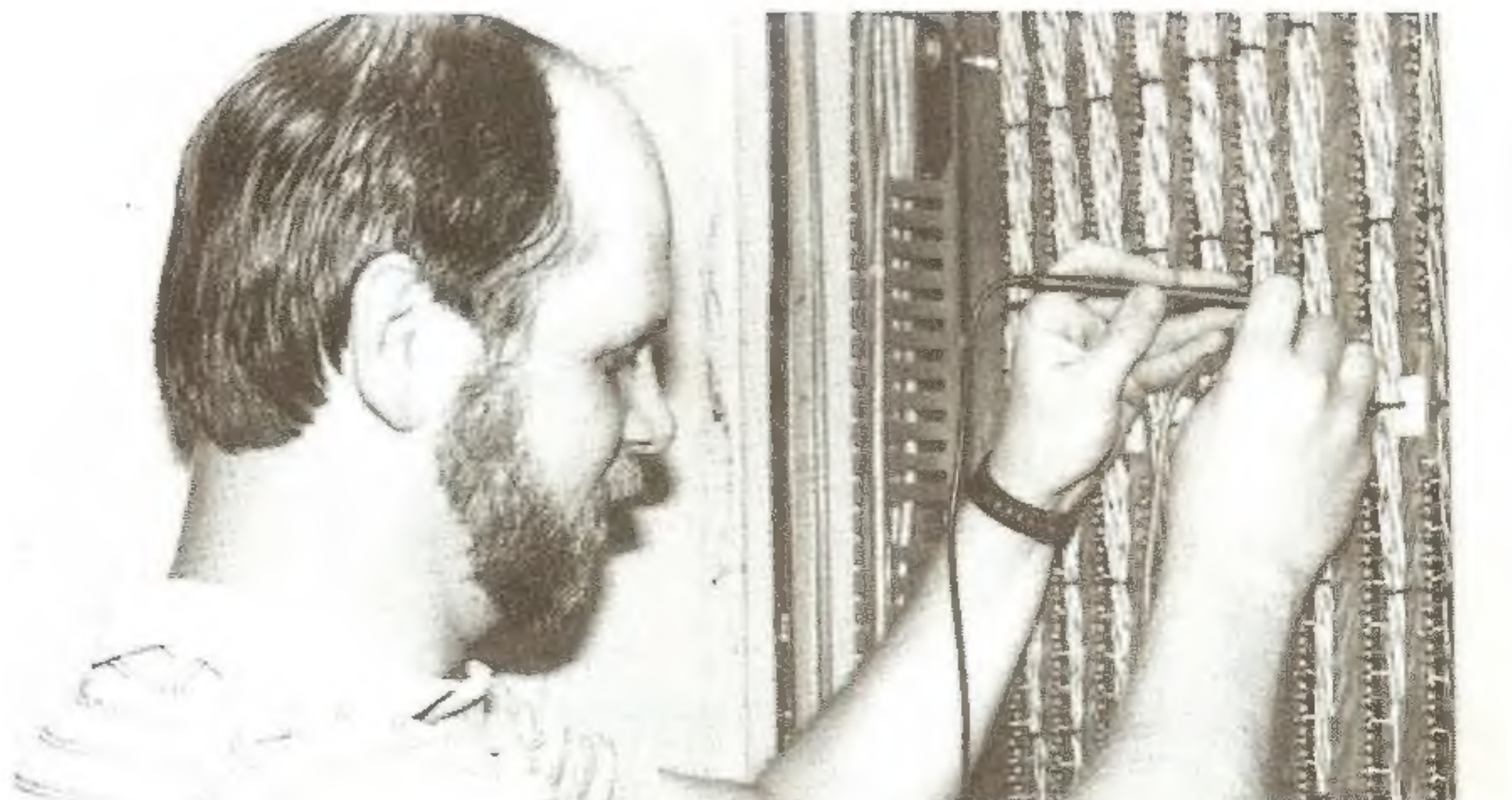


Mike King demonstrates the new central information system that he helped design.

program developed by another utility and enhanced it to meet the operators' needs. Several other necessary pieces of equipment became available when Performance Engineering updated their own equipment.

King adds that everyone involved seemed ready to get the new system installed. "The old system had problems and was tough to work on," he says. George Landry, test technician-1st class, helped wire the new system and agrees, saying, "We did it pretty fast without many problems."

McNeil says that Sabine Unit 3, because of its efficiency and other factors, is a "must-run" unit. Therefore, scheduled outages usually last only a short time. "We wanted this new system in place when we started the unit again," he says, "and the coordination between the maintenance and technical efforts made it possible. Now this system will be the eyes and ears of the operators on duty."



Wayne Mougia, test technician-1st class, checks a circuit from Sabine Unit 3 to the control room.

Focus on reliability

by Mike Rodgers

"Service problems take up most of our time," says Jim Raleigh, T&D supervisor, Port Arthur. "If a customer loses power, it's our job to get it back on as soon as possible. Customers aren't always interested in why their lights are out, they just want them back on quickly."

Raleigh, like his counterparts in the other divisions, keeps an eye on the amount of time it takes to restore service after a call comes in. Measuring service reliability involves tracking two important figures—the amount of time a customer is without power and the number of times the customer loses power. Averaging those figures over a 12-month

period gives each division a look at its performance. Raleigh says proudly that 1986 was one of the best years ever in Port Arthur Division, with service available over 99 percent of the time. He admits that the division does have some built-in advantages in measuring reliability. "It is geographically the smallest division and is mostly urban, which means we don't have as far to go."

The nature of Port Arthur Division offers some unique challenges to Raleigh and his crews as well. It is the most heavily industrial of all the divisions in Gulf States. An interruption of service to a refinery can cause multitudes of dangerous operating conditions and means

lost revenue to GSU. Raleigh likes to stress the many positive aspects of tracking reliability. "It means we can identify areas which experience service problems and plan improvements to help our customers."

With the company operating under a tight budget, he says they have to make the most improvements for the least amount of money. Cost-cutting is one of the goals of any T&D supervisor. Since holding fewer items in stock means the company doesn't have to pay as much, Raleigh's efforts helped reduce the transformer inventory from 600 units in 1985 to 132 units currently. Unused equipment in the field has been put to use as well.

Hurricane Bonnie's arrival last summer brought a tremendous amount of responsibility to Raleigh and his crews. Looking back on the experience he says, "I learned a great deal about the importance of organizing." He helped coordinate not only the Port Arthur crews, but also the GSU crews from other divisions. Raleigh recalls that over half their customers were without power, 250 lines were down and the office logged approximately 30,000 phone calls. "This job is a hands-on experience. The hurricane proved it, especially since you can really see the results of your work," he comments. Raleigh was quick to add that he was very proud of the job done by employees during the emergency. As an aside, he mentions that his wife works for the Red Cross, so she also puts in some long hours during emergencies. "Hurricane Bonnie was a real family affair," he says.



Raleigh inspects a likely future repair project on Pleasure Island. GSU is investigating erosion of the cable-terminating structure.

GSU, communities:

Partners in development

by Susan Gilley

“What can we do to help you?” was the question posed by the New Iberia economic development team that visited with GSU Business Development representatives in late April.

John Bordelon, administrator-economic development, responded, “The more community and area information you can give to us, the more information we can give to our prospects.” GSU provides economic development assistance, because, Bordelon explained, “The communities we serve are very important to GSU. And those communities are basically what GSU markets.”

Although New Iberia is not a GSU customer, it is surrounded on all sides by GSU service territory, which includes the Port of Iberia.

The New Iberians are among a number of Louisianans and Texans who have sought economic development assistance from GSU. While in Beaumont, the delegation also visited the Bid Resource Center and the John Gray Institute.

The thrust of GSU’s economic development effort is “to look at the assets and liabilities of communities. We assist the area leadership in trying to eliminate the liabilities and market the assets. The goal is to develop a marketing team within the community. It’s very important to prepare yourself and know what you have to market in your community,” Bordelon counseled.

Although individual communities must do their part, there is an advantage to centralizing the economic development effort, as GSU has done. “First we identify growth companies that plan to expand or relocate their businesses and that have a locational fit in our service area.

Prospects like working with companies like ours, which operate on a regional basis, because we can assist them in narrowing down their choices to a manageable number,” Bordelon noted.

GSU offers a variety of services, including sales team training and community prospect simulation training, in which a “dummy” prospect is brought in to test a community’s preparedness.

But Bordelon feels GSU’s most valuable economic development tool is the Computer Analysis of Available Buildings and Sites (CABS) program. The estimated 285 towns in the GSU service area are encouraged to provide information on buildings and sites that might be suited to certain businesses. The form for placing a building in the system lists 70 different criteria that prospects can use to make their selection.

According to Bordelon, GSU uses a direct-mail approach to identify prospects. Even so, he added, “We don’t take a shotgun approach. We try to take a rifle shot approach—more of a targeted industry approach.”

For example, since GSU’s service area has a heavy petrochemical base, the effort is directed toward related in-

dustries, like plastics.

Telemarketing is often used to further establish a relationship with prospects. The next follow-up step might be a personal corporate office visit as part of a region-wide prospecting mission and then providing specific information in the form of a business proposal for a prospect who wants to relocate within the service area.

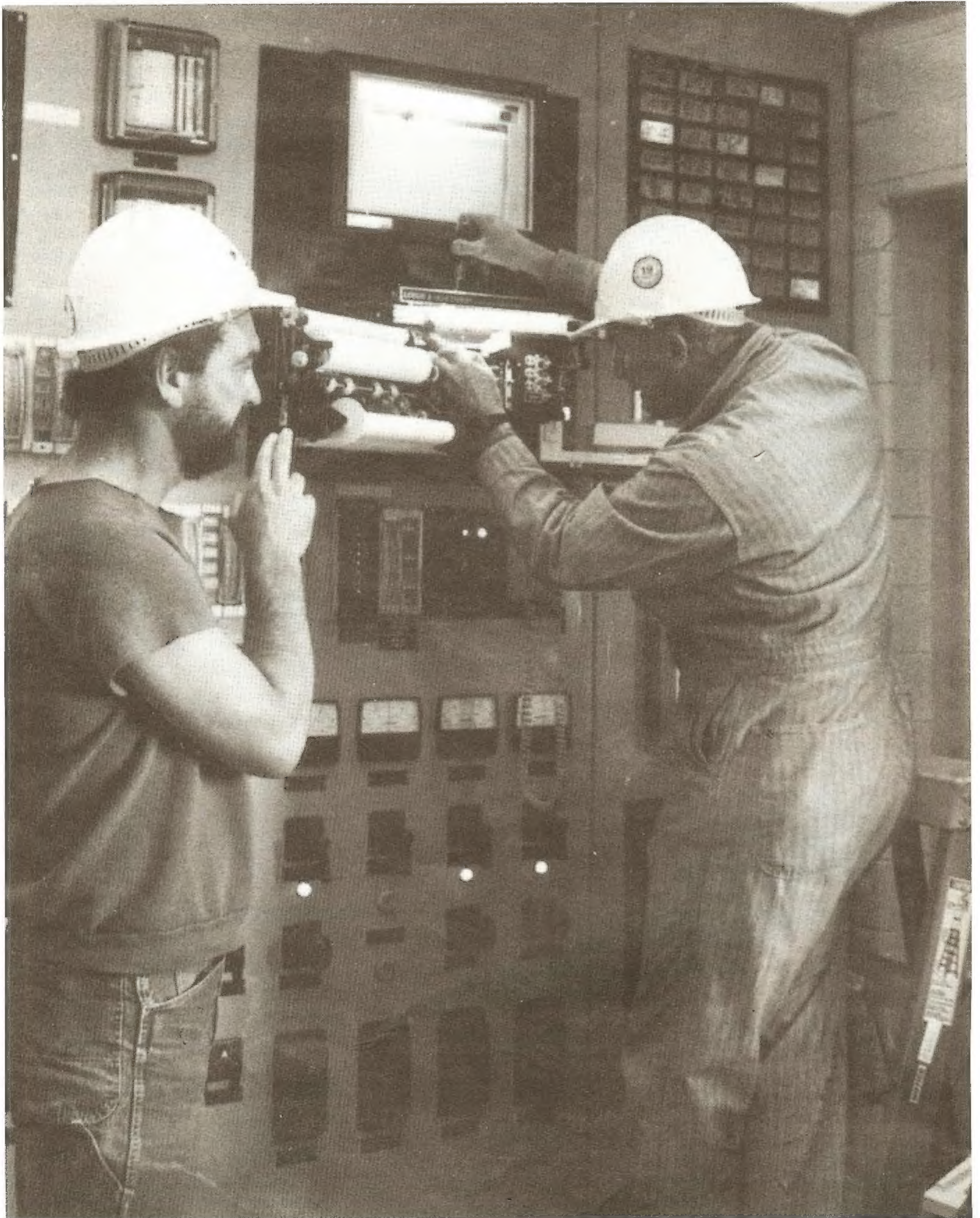
As Bordelon told the New Iberia delegation, “GSU must be fair with the communities we work with, because there are 285 of them.” As a result, GSU maintains the confidentiality often requested by prospects.

The bottom line of GSU’s economic development effort is “to maintain and improve the economic growth of the area we serve.” Bordelon continues, “The economic health of GSU is very dependent on our communities’ economic stability. The recent decline in our petrochemical base has required us to provide a broad range of programs offered to communities that can and will provide us with the inducement of new businesses and jobs for our customers. These programs have made GSU and the communities we serve ‘partners in economic development’.”



John Bordelon (far left), administrator-economic development, gives a New Iberia delegation a tour through the Business Development Data Center.

On the job in



Nelson Gas & Oil: Gary Thompson (left), mechanic helper, and Charlie Elter, test technician-1st class, calibrate a demineralizer flow chart.

power plants

Photos by Susan Gilley

The public is familiar with the GSU lineman--the employee that they feel helps ensure that power reaches the customer's house.

But perhaps customers are not as aware of the contribution made by the power plant employee, who helps generate the electricity.

Photographs on this page and on the cover capture people at work in three of GSU's seven operating power plants. An eighth power plant--Neches Station in Beaumont--is in long-term storage.



Louisiana Station: Dan Robillard, repairman-1st class, works in Maintenance.



Louisiana Station: Marvin DePoy (above), head fireman, takes a reading at the switchboard.

Nelson Gas & Oil: Eli Wattley (at left), electrician-1st class, repairs a fan motor.

Shareholders meet in Edison Plaza

by Robert Adams

Approximately 500 shareholders attended the 62nd Annual Shareholders' Meeting at Edison Plaza on May 7. Board Chairman Paul Murrill called the meeting to order about 2 p.m.

The order of activities included the legal meeting to record the proxy vote, a brief report by Dr. Murrill and then an extensive report by Dr. E. Linn Draper, president, chief executive officer and vice chairman of the board. Some 84.8 percent of the common stock shares were represented and voted to re-elect the 13 directors and retain the firm of Coopers and Lybrand as independent public accountants.

Murrill noted the retirement of Norman Lee, former president and vice chairman of the board. Murrill presented Lee with a plaque representing a resolution passed by the board in honor of his service to Gulf States.

Murrill addressed reports of the possible sale of Prudential Oil and Gas. He said that 24 companies had indicated an interest in purchasing the GSU oil and gas exploration subsidiary. The ten most promising were invited to submit formal bids by May 15, after which the proposals will be reviewed by GSU.

Murrill turned the meeting over to Draper, who said that, "by all rights, the meeting should be a joyous occasion," since this was the first to come after the conclusion of a long construction period to diversify GSU's fuel mix. He referred to the Nelson 6 Coal Plant; Big Cajun #2, Unit 3; and River Bend.

Among the technical successes associated with River Bend, Draper said, were the completion of River Bend almost four years faster than the national average, praise it received from the Nuclear Regulatory Commission and recognition of the nuclear

plant as a world class project. He also pointed out that, as of May 7, River Bend was in its 109th day of continuous operation, ranking it sixth in terms of continuous run for boiling water reactors.

"But, it's clear there is a pall over this meeting," Draper continued, "having to do with the financial condition of this company — in part, the elimination of dividends." Draper listed several actions taken by the company in an effort to carry GSU through financially until the conclusions of the current rate cases. These included Project Save Cash, the Early Retirement Program, the lowering of the complement number, salary freezes and the directors' voluntary reduction of their retainers.

In spite of these measures, money to do business was still insufficient, Draper stated. Then in June 1986, the board of directors made the "painful decision to reduce the common dividend." And in August 1986, he continued, the board made the "most painful business decision in which I have ever been involved — to eliminate, for the prospective period, the common dividend completely."

The decision was painful, Draper said, because the board knew a lot about the common shareholders. There are over 100,000 common shareholders; more than 50 percent are 60 years old or older and a substantial number depend on the common dividend for their livelihood.

Draper recounted that, early this year, the board made a similar decision on the preferred and preference stock because the company did not have the \$16 million cash to pay the dividend. In addressing suggestions that have been made to reduce salaries in order to pay

dividends, Draper pointed out that the cash needed to cover dividends was \$234 million. According to Draper, if Gulf States eliminated every person from the payroll, it would reduce expenditures by about \$180 million.

"It is plain that the dividends cannot be paid and actions on salaries and wages will not solve that problem," he stated.

Draper continued, "The plain fact is that we must develop a solution that involves selling an adequate amount of our product—electricity—at a price that will produce acceptable financial results." This involves three things: keeping costs low, getting a fair price and stimulating sales, according to Draper.

Draper said that GSU has the lowest cost and sells for the lowest price in Louisiana, and the price GSU receives for electricity in Texas is below average. "If we received the average price for a kilowatthour that the other electric companies in the United States receive, we wouldn't have a problem," he continued.

Draper addressed the River Bend prudency hearings being conducted in Texas and Louisiana. He said he believes testimony will show that GSU's actions were wise in light of the events of the 70's and 80's and the decisions made during that time.

Draper concluded by thanking the shareholders for their support of the company's emergency rate requests through their communication activities. He also praised employees for their hard work in the aftermath of Hurricane Bonnie and recognized retired employee, Delia Harrington, who was recently honored by the City of Beaumont for her civic beautification work.

Checklist outlines prescription drug questions

Editor's note: This information was provided by America's Pharmacy of Des Moines, Iowa, which is a mail-order prescription service available for GSU employees.

Are you one of millions of people who visits the doctor for a condition which is treated by medication? Do you know what questions to ask when your doctor prescribes medication? Or, like most of us, do you think

about the questions you wanted to ask your doctor after you arrive home?

Elsewhere on this page is a medication checklist outlining some of the questions you should ask your doctor each time a drug is prescribed.

You may have other questions for the doctor regarding your prescriptions. We encourage you to ask these questions. Each time you ask your doctor questions about the medicine you are taking, you will feel better and

become a better informed consumer.

We urge you to use this checklist for each medication prescribed by your doctor. Questions not answered by your doctor may be answered by one of America's Pharmacy's registered licensed pharmacists. Pharmacists are available to answer your questions concerning the medication you receive. A pharmacist can be reached by calling 1-800-247-1003.

Medication Checklist

Doctor's Name _____ Phone Number _____

Diagnosis _____

Medication Prescribed _____
Brand Name _____ Generic Name _____

Is a generic substitute available? Yes _____ No _____

Dosage _____ mg _____ cc 1X _____ 2X _____ 3X _____ 4X _____ Daily

Should the drug be taken before, with or after meals? _____

Should I avoid any particular food or other drugs? _____

Should I avoid alcohol? Yes _____ No _____

Is the drug for symptoms only? Yes _____ No _____

Which symptom(s)? _____

Is the drug necessary for management of the condition? Yes _____ No _____

Is there an over-the-counter alternative? Yes _____ No _____

If so, indicate the product name _____

Will the condition resolve without treatment? Yes _____ No _____

Is there any written information about this drug? _____

If so, where can I obtain the information? (Books, magazines, brochures, etc.) _____

Drug side effects

What to do if it occurs

Additional Comments:

Employees walk for March of Dimes



Baton Rouge Division employees participated in "Aerobics Live" two days before WalkAmerica, also for the March of Dimes. They included (from left) Vickie Robillard, customer contact clerk, Baton Rouge; Carol Darville and Charlotte Gautreau, both customer contact clerks, Gonzales; Shelia Sorrell, section head, Baton Rouge; Robby Zeringue, sr. engineering asst., Baton Rouge; and Carol Cronin, secretary, River Bend.



Lonnie Cobb, manager-production support in Beaumont, wears special garb for the annual walk.



Tommy LeDay, meter reader in Winnie, was WalkAmerica captain for the Southern District and was one of the leading money-raisers.



The first five Conroe Gulf Staters to finish their six-mile WalkAmerica route within an hour were (standing, from left) Samuel Jackson, meter reader, 1st; Kenneth Neal, meter reader, 2nd; Jim Wilder, division accounting superintendent, 3rd; (seated from left) Kelly Sklar, clerk, 4th; and Cindy Mendez, PBX operator, 5th.

Park name honors GSU retiree

by Susan Gilley

GSU retiree Delia Harrington, known throughout Beaumont for her anti-litter efforts, was honored by Beaumont City Council on April 7 by having a small park named after her.

The resolution renaming the former Welcome to Beaumont Park, which is located across from her Willow Street home and was actually begun by Harrington, cited her for voluntarily maintaining the piece of land located near the downtown exit from Interstate 10.

It became Delia Harrington Welcome to Beaumont Park as council members unanimously approved the name change. During the council session, which

was attended by a number of GSU representatives, Mayor Maury Meyers asked Harrington to help him with his official duties by reading a resolution which she thought dealt with another matter. Meyers asked Beaumonters to "tell Delia how proud you are of her."

Meyers also stepped down from his chair to personally thank her, pointing out to those attending the session that she routinely attends city council meetings.

During a brief council recess, Beaumont Division and System employees hosted a reception in honor of Harrington, who retired from GSU as a meter reader on Nov. 1, 1970.



Delia Harrington

Mahoney praised

Dr. Paul Murrill
Gulf States Utilities
Beaumont, Texas

Dear Paul:

I want to apologize for taking so long to write to you to thank you for your participation in the Baton Rouge chapter of the NCCJ Brotherhood Week Annual Dinner. Pete certainly knew what he was doing when he asked you to be his "presenter." That dinner is one event that is very meaningful to me and I only wish the spirit of the night could last the whole year.

The troubles that are plaguing your organization, at this point, are very well documented by the press, but very rarely is there any positive publicity. Well, I would like to take this opportunity to congratulate you on an individual that you can take great pride in having in your employ. I have almost completed building a house, which has been a year-long process. During that time, I have had a number of dealings with Ms. Kutay Mahoney, one of your customer service representatives at your Essen Lane location here in Baton Rouge. At every step of the way, she has smilingly and graciously guided me through the sometimes-confusing procedures and labyrinth of detail that accompanies the transfer of power. As building can be a stressful and emotional time, it has been a welcome respite to deal with a person of Ms. Mahoney's capabilities and friendliness. She is a great asset to your organization and she represents you as I would wish any and all of my employees to represent me to the public. Congratulations and many thanks.

Again, it was a pleasure being with you at the NCCJ dinner, and I trust that our paths will cross again in the not-too-distant future.

Very sincerely yours,
Robert M. Rosenthal
President
Petrin Corporation

Editor's note: Mahoney is a customer contact clerk with seven years of service.

Courtesy appreciated

Kenny Comeaux
Gulf States Utilities
Zachary, La.

Dear Mr. Comeaux:

Please let me take this opportunity to express my sincere appreciation for your kind and courteous understanding of my problem when we met this past Monday.

Your kindness will not be forgotten. Again, my sincere thanks.

Sincerely,
Walter F. "Pharoah" Spencer,
G.R.I. Appraiser
Pharoah Spencer & Associates

Editor's note: Comeaux is a district supervisor in Zachary with nearly 31 years of service.

Loyal customer

Gulf States Utilities
Baton Rouge, La.

Dear GSU:

I would like to take this opportunity to commend one of your linemen, Barry Bergeron. I had a flat tire with one of my twins on Dec. 23, 1986. I saw the men, but hated to ask them to come

help. After a few minutes, he realized I was in trouble and eagerly came to help.

He was so kind and mannerly. Please let him know how much I appreciated his help and kindness. He is an asset to your fine company.

Sincerely,
"A Loyal Customer"
Mary Lynn Langlois

Editor's note: Bergeron is a helper-T&D in Baton Rouge with four years of service.

Davis cited

Bill Benedetto
Gulf States Utilities
Baton Rouge, La.

Dear Mr. Benedetto:

Once again Shivaun did an excellent job! On Jan. 15, 1987, Shivaun came to Lanier Fundamentals Elementary and explained nuclear energy and electricity using various visual aids. She also performed several hands-on experiments with the children. She spent the entire day with our fourth-grade classes. The children are still talking and discussing the many things they learned from Shivaun's presentation.

Thank you and Gulf States for providing this service and for having such capable, outstanding personnel to work with our children.

We are all looking forward to our field trip to River Bend.

Sincerely,
Maureen Lobrano
Fourth Grade Teacher

Editor's note: Shivaun T. Davis is a nuclear communications coordinator with almost nine years of service.

PLAIN TALKS

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GSU NEWS

The GSU video report

Summer edition stories:

- River Bend...an operating nuclear plant
- Behind the scenes at a rate hearing
- Attracting new business to the service area
- Building our own transmission line